

PRESS STATEMENT ON THE 4TH ASSURANCE PROCESS FINDINGS AND RECOMMENDATIONS

10th February 2021



CoST Uganda published its 4th Assurance Report titled **Ray of Sunshine, A Report of the 4th Assurance Process in Uganda** on, 10th February 2021. The 4th Assurance process focused on 23 public infrastructure projects from eight Procurement Entities. The Assurance process was spread through the sectors of Education, Health, Water and Environment, Works and Transport.

The Procuring and Disposing Entities that participated in the 4th Assurance process included;

1. Ministry of Education and Sports (1 project),
2. Ministry of Health (3 projects),
3. Ministry of Works and Transport (7 projects)
4. Uganda National Roads Authority (UNRA) (4 projects).
5. Ministry of Water and Environment (1 projects)
6. Wakiso District Local Government (2 projects)
7. National Water and Sewerage Corporation (2 projects)
8. Kampala Capital City Authority (3 projects)

Findings from the 4th Assurance Process

From the 4th Assurance process, we note that, the culture of transparency is taking root in the country, with the CoST Assurance process working as a learning tool to consolidate disclosure practices. Although involving different entities in each process, the global average levels of disclosure have improved in the year 2020.

Key findings from the 4th Assurance Process include;

1. Twenty two of the Assured projects cost approximately Uganda shillings 4.6 Trillion this is USD 1,272 Million.
2. Disclosure across the 23 projects was at an average of 61.5% an increase of 19.5% from the 3rd Assurance process which was at 42%. In regards to disclosure trends, Proactive disclosure increased from 43 to 54% whereas reactive disclosure tremendously increased from 42% to 69%.
3. Across the five phases of project delivery, proactive disclosure staggered with limited data disclosed on project implementation, procurement, completion and preparation. Whereas, contract information was the poorly disclosed reactively.
4. Delayed data retrieval and lack of sufficient information management systems across the entities.
5. No standard disclosure template, across entity websites, data was insufficient, outdated, inconsistent and inaccurate. Physical disclosure along project sites was also insufficient with most of the projects having broken, fallen and others lacked sufficient information walls.
6. High foreign dependency for investments in infrastructure development. Loans taken were 62%, whereas GoU contributed 25% and grants amounted to 12%.
7. Regarding proportion of projects going to local and foreign firms, the report revealed that for supervising contracts 9% of the contracts went to local consultants, 30% foreign, 9% joint ventures whereas 52% of the data required to assess this indicator was not disclosed. And

for the works contracts 35% of the contracts went to local contractors, 22% went to foreign firms, there were no joint ventures and 43% of the data required to further establish this indicator was not disclosed.

8. Limited consultations and involvement of lower level stakeholders such as Local Governments in centrally procured projects resulting into insufficient designs. The revised guidelines and bidding documents requiring this provision are not popularised.
9. Lack of knowledge of the existing legal and policy framework, this includes reviews and amendments made by Government through PPDA managing the public procurement processes, such amendments on the bidding documents to include health, safety and environmental considerations among others.
10. Substantial time and cost overruns, nine projects disclosed time overruns and five projects disclosed cost overruns. However, 2 projects disclosed cost savings. *Time overruns were mainly attributed to delays in procurement, COVID-19, contract cancellations due to poor quality of works.* Whereas, cost overruns were mainly attributed to scope changes and changes in designs, an indication of insufficient planning.
11. Low levels of adherence to health and safety safeguards. In some projects, there were no gazetted areas for smoking, compliance with COVID-19 SOPs, access to drinking water and lavatories for workers, dumping of rubbish or health awareness.
12. Weak efforts on inclusion and other key stakeholder engagement in project delivery. Only one entity, had high levels of women involvement. Considerations for PWDs in infrastructure planning and delivery were also weak.
13. Adherence to PPDA procurement guidelines, local content, reservation schemes is still a challenge, with many projects delaying in procurement. The Chinese took the highest number of contracts in the 23 projects.
14. Projects had put in place innovations for performance, case in point the ASKIA awards under the Kyenjojo – Kabwoya road under UNRA, establishment of Grievance Redress Committees were observed on some of the projects.
15. Although, there was progressive stakeholder engagement resulting to free right of way in some projects such as Sembabule Water Supply project under NWSC, this was still being done at project initial stages, with limited engagement at procurement and implementation.

The 4th Assurance Process recommends that;

1. Government through Public Procurement and Disposal of Public Assets Authority (PPDA) is encouraged to issue a standard disclosure template of key activities undertaken in infrastructure projects and it should be implemented by all PDEs. This should be accompanied with associated guidelines on how infrastructure data should be disclosed. The CoST Infrastructure Data Standard (IDS) and the Open Contracting for Infrastructure Data Standard (OC4IDS) provides for such a standard.
2. PDEs should ensure, regular updates of the public disclosure platforms and establish internal data management and retrieval systems for infrastructure data. NITA – U should assist PDEs to put up robust systems to address this.
3. Ministry of Finance, Planning and Economic Development and PPDA are encouraged to fast track alignment of the Electronic Procurement Portal (E-GP) and the Government Procurement Portal (GPP) to the OC4IDS to enable full disclosure and categorization of procurement data.
4. PPDA should amend the Standard Notice of Best Evaluated Bidder to provide for the estimated value of the works made by the Accounting Officer at the initiation of the procurement. This is important for confirmation that the contract price of the Best Evaluated Bidder is below the Accounting Officer's estimate in accordance with the PPDA Act, 2003.
5. PPDA and the Local Content Monitoring Committee are encouraged to conduct quarterly monitoring of the implementation of the local content and reservation schemes in accordance with the Local Content Guidelines. In addition, these guidelines should be turned into regulations and provide sanctions on noncompliance. PPDA and MoFPED should assess the efficacy of the guidelines annually.
6. The Accounting Officers should ensure that the monthly and quarterly contract reports to be submitted by the Contract / Project Manager and the Procurement and Disposal Unit respectively as provided for under the PPDA (Contracts) Regulations, 2014, are appropriately furnished and assessed.
7. PPDA should require PDEs to publish the contract management plans on the PDEs websites and in related media so that the public and civil society can effectively follow up on the progress of projects. In addition, PDUs should ensure that they monitor the progress of contracts in accordance with the PPDA (Contracts) Regulations, 2014.
8. PDEs, PPDA, MoWT, OPM and MoFPED should reinforce joint stakeholder Monitoring and Evaluation efforts for infrastructure projects with other stakeholders such as CoST Uganda

to ensure compliance with national legislation and best practices in a bid to promote value for money.

9. PDEs should recommend to PPDA for suspension the contractors that substantially breach their contractual obligations in accordance with the PPDA Act, 2003. This will curtail cases of contractors successfully participating in tenders in different PDEs while having a poor performance track record.
10. PPDA should conduct awareness raising workshops for PDEs and contractors on the application of the ESHS requirements in the revised Standard Bidding Document for works, and ensure that all projects have established provision of GRC (Grievance Redress Committees)
11. PPDA is encouraged to review the procurement guidelines to provide for considerations of PWDs in infrastructure planning and implementation, participation of women, youth and PWDs and should require PDEs to report on such considerations.

**For CoST Uganda
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For CoST Uganda**

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Notes to Editors:

CoST drives better value from public infrastructure investment by increasing transparency and accountability. Without significant improvement in the delivery of public infrastructure, by 2025 up to \$5trillion could be lost annually. With 19 participating countries spanning four continents, CoST is a catalyst for reform, improving efficiency and reducing mismanagement, corruption and the risk to public safety from poor construction.

CoST is a partnership between participating countries and international stakeholders. Launched in 2012, it is based on the lessons of a three-year pilot programme that tested the viability of a new transparency and accountability process in eight countries. CoST provides support to national programmes and facilitates international exchange of experience and knowledge to improve transparency and accountability in public infrastructure globally. By December 2020, CoST had grown its membership to 19 Governments from 19 countries of the World.

Assured projects in the year 2020

Procuring and Disposing Entity	Project Name / Procurement Reference Number	Sector
KCCA	1. Second Kampala Institutional & infrastructure development Project (KIIDP 2) KCCA/KIIDP2/ISCS – 20	Works and Transport
	2. City Design update and construction of selected drainage systems Lot 2 KCCA/WRKS/2015-16/00075	
	3. Design update and construction of selected drainage systems in Kampala city (2.61km) Lot 3 KCCA/WRKS/2015-16/00072	
MoES	4. Uganda Skills Development Project in Bushenyi UTC Lot 1 UG-MOESTS-119351-CW-RFB	Education
MoH	5. Refurbishing and Equipping of Kawolo Hospital	Health
	6. Refurbishing and Equipping of Busolwe Hospital	
	7. Uganda Intergovernmental Fiscal Transfers Program	
MoWT	8. Inland ICD –Mukono	Works and Transport
	9. Construction of Parliament Uganda	
	10. Construction of a one stop border post at Busia	
	11. Construction of a one-stop border post at Elegu Uganda-Sudan border	
	12. Construction of a one-stop border post facilities at Katuna, Uganda	
	13. Construction of one stop Border Post at Malaba	
	14. Construction of a one-stop border post Facilities at Mirama Hills MOWT/Wrks/2012-2013/00049	
MWE	15. Building Resilient Communities, Wetland Ecosystems and Associated Catchments in Uganda	Water

NWSC	16. Consultancy Services for Design Review of the Mbale Water Supply and Sanitation System Project NWSC/HQ/SRVCS/ 2017-2018/164552	
	17. Sembabule Water Treatment Plant and intake Project NWSC-HQ/WRKS/19-20/170758	
UNRA	18. Capacity Improvement of the Kampala Northern Bypass project (21km)	Works and Transport
	19. Soroti-Katakwi-Akisim road (100km) UNRA/Works/2015-16/00002/001	
	20. Upgrading of Kyenjojo-Kabwoya Road (100km) from Gravel to Paved (Bituminous) Standard. UNRA/WORKS/2013-14/00002/01/01	
Wakiso LG	21. Rukungiri-Kihihi-Ishasha/Kanungu (78.5 km)	Education
	22. Proposed road embracement protection for Bubebere-Busi Island in Wakiso district. 23. Construction of Sumbwe Seed School in Wakiso District. MoES/UgIFT/WRKS/2018-19/00119	

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Interview Opportunities

The CoST Uganda Secretariat can arrange interviews with interested journalists. It can also provide photographs for publication and additional background information.

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